



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF ACCOUNTING
540 SOUTH DUPONT HIGHWAY
THOMAS COLLINS BUILDING (D570C), SECOND FLOOR, SUITE 3
DOVER, DELAWARE 19901

FAX: (302) 744-1045

MEMORANDUM

TELEPHONE: (302) 744-1035

#00-11

TO: All Department and School Fiscal Officers

FROM: Valencia L. Beaty, Executive Assistant *VLB*

DATE: April 7, 2000

SUBJECT: FIXED ASSETS

Once again, we will be relying on the Fixed Asset Subsystem to report the State's fixed assets on the FY 2000 General Purpose Financial Statements. In order to maintain a clean audit opinion on the State's financial statements and a strong bond rating, it is absolutely essential the information in the Fixed Asset Subsystem be correct.

Due to accounting changes promulgated by the Governmental Accounting Standards Board (GASB), agencies and school districts will be held more accountable for their fixed assets than in the past. With the implementation of GASB 34, fixed assets will become a more intricate part of the financial statements, and more than likely, receive a greater amount of attention from the auditors than in the past.

It is imperative that agencies and school districts maintain accurate and up to date information. This includes updating any skeletons in the Fixed Asset Subsystem by the close of the fiscal year.

REPORTING CRITERIA FOR FIXED ASSETS

All furniture, equipment, and vehicles with a useful life of more than one (1) year and a purchase or acquisition cost of more than \$15,000 per item are required to be included and maintained in the State's Fixed Asset Subsystem. Furthermore, all buildings, land, land improvements, and construction-in-progress are to be reported in the Fixed Asset Subsystem at any value.

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A report will be issued later this month showing only those items of \$15,000 or more which will be used as a basis for reporting fixed assets in the Fiscal Year 2000 CAFR. Please review this report and make any necessary adjustments prior to the close of the fiscal year.

PHYSICAL INVENTORY

The Budget and Accounting Policy Manual requires that "A physical inventory of the property must be taken and the results reconciled with the property records at least every two years." For those agencies or school districts that completed a physical inventory last year, you are not required to perform one this year.

Those agencies or school district performing a physical inventory this year are required to submit the attached certification verifying such inventory has been conducted. Please submit the certification form to the Director of Accounting, Clifford B. Edwards, no later than July 15, 2000.

The State has a significant investment in fixed assets. To improve financial reporting, accountability and operational efficiencies in managing these assets, we must maintain accurate property inventory records.

Thank you for your cooperation. If you have any questions concerning the above, please contact Dave Walls at (302) 744-1040 or Becki Surguy at (302) 744-1050.

Cc: Clifford B. Edwards

MEMORANDUM

TO: Director
Division of Accounting

FROM: _____

DEPT: _____

SUBJECT: PROPERTY INVENTORY RECONCILIATION - FY 2000

I certify that a physical inventory has been performed and reconciled with the annual report of Fixed Assets over \$15,000 (F25F2705) and all purchases and acquisitions that were required to be reported during the past fiscal year have been added to the Fixed Asset Subsystem.

Signed: _____
Responsible official

Date: _____

This form is due in the Division of Accounting by **July 15, 2000.**
(FAX number 302-744-1045)